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TELEGRAM

April 11, 2002

To: SECSTATE WASHDC - IMMEDIATE
Action: WHA
From: AMEMBASSY CARACAS (CARACAS 973 - IMMEDIATE)
TAGS: ECON, PGOV, PREL, EPET, ASEC, VE
Captions: None
Subject: VENEZUELA'S GENERAL STRIKE AS OF 2:00 PM APRIL 11
Ref: A. CARACAS 00948, B. 00966

CLASSIFIED BY AMBASSADOR CHARLES S. SHAPIRO. REASON
1.5 (B) AND (D).

SUMMARY

1. (C) Day three of the nationwide work stoppage began with a massive march that paused at Petroleos de Venezuela's (PDVSA) operations headquarters before moving toward the Presidential Palace at Miraflores. The stoppage, which was upgraded to a general strike last night, continues to be effective. Supermarkets have opened temporarily, and Embassy staff report panic shopping conditions. Canned goods and staples have vanished from the shelves. International corporations have begun to evacuate employees. Opposition leadership met this morning and agreed to establish a coordinating committee with representation from labor groups, political parties, civic organizations, and the oil company. The opposition did not discuss any possibility of dialogue with GOV. End Summary.

THE DEMONSTRATION

2. (SBU) As reported in ref B, CTV organized an enormous demonstration march this morning at 9:00 am. The crowd stretches for several miles through the streets of the capital. Perhaps in response to chants of "Miraflores" from the crowd that reached PDVSA's operational headquarters, Pedecamaras President Carmona announced a new marching route for the demonstrators. The march is continuing down Avenida Bolivar, and could potentially reach the Presidential Palace, though that is only one possibility. News reports indicate that Chavez has also issued a call for his supporters to assemble at the Palace.

OPPOSITION ACTIVITIES

3. (U) [redacted] members agreed to establish a coordinating committee with: one member from Pedecamaras, two from the political parties, two representing (as yet unidentified) civic organizations, one from CTV, and one from PDVSA. Importantly, the opposition did not discuss any possibility of dialogue with the GOV.

Wonder how this
looked to the GOV - ?
On eve of coup -

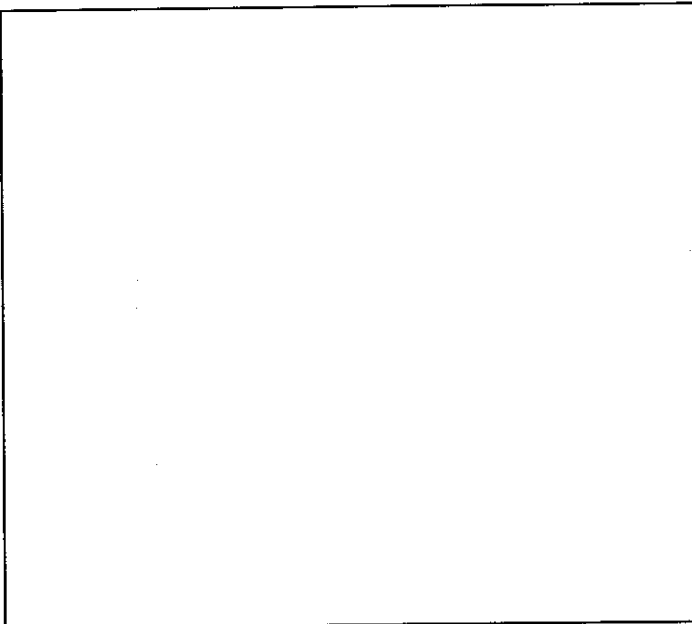
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THE STRIKE

8. (U) The general strike continues to be effective. Exceptions to the closures include a handful of bakeries, cafes, and drugstores. Major supermarket chains announced they would open for a few hours today. Embassy staff report that the environment at the markets is one of panic. Those shoppers with carts have loaded them to capacity, and those without carts are wandering the aisles with their arms laden with food. Shoppers have cleared the shelves of flour, sugar, canned goods, soft drinks, and other non-perishables. (NOTE: Ag Attache reports that supermarket warehouses maintain a 15-30 day supply. The issue will be re-stocking the shelves in the midst of the strike.) Banks are also closed in general, though Citibank and Corpbanca branches are open for business.

GOVERNMENT NEGOTIATIONS WITH PDVSA?

9. (U) Late on April 10 the Minister of Defense appeared on national television to state that the government would begin talks with striking PDVSA executives on April 11. A spokesperson for the PDVSA executives subsequently denied that the government had contacted them with such an offer. Several sources report today that the leadership of the "PDVSA movement" is not receptive to such a meeting unless it were held with the President himself. They believe their issues have been overtaken by events and they will not help the government solve the "PDVSA issue" at the expense of undermining the larger protest.

STATUS OF PDVSA BOARD

10. (C) [redacted] PDVSA
Board member Jorge Ramkoff.

[redacted] went public with his offer to resign.

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Although there are rumors around town at mid-day that the Board has resigned, we have so far seen nothing to confirm this.

REFINING STATUS

11. (U) Government attempts to demonstrate that refineries are operating at normal levels were met with derision the night of April 10. Apparently the video feeds used by the government included shots of storage tanks with Corporven and Maraven logos which have not been used since PDVSA consolidated its affiliates several years ago. We believe refining is still operating at very low levels. El Palito is still down but is expected to come back up by the end of the week. Puerto La Cruz is still believed to be operating at approximately 50 percent.

The Amuay refinery (two refineries, Amuay and Cardon, are linked together to form the complex) is completely closed, while operations at Cardon are at a low level.

EXPORT STATUS

12. (C) The most serious bottleneck exists in the distribution and export end of the supply chain.

A number of ships carrying gasoline and diesel for domestic use were loaded and dispatched on April 10. This has relieved some of the concern about domestic shortages of these products. Exports, however, are at a standstill. This has been confirmed by a U.S. Caracas-based CITGO employee who noted that even if PDVSA has brought in retirees etc. to issue the loading orders, there's no one there to take care of insurance etc. This source commented that CITGO is finding other sources for its crude oil needs. He noted that inventories are good and that he believes the market has adjusted to reflect large stocks stored

by PDVSA in the Caribbean.

PDVSA has 45 million barrels in storage (we had previously heard 15-20 million).

BEYOND THE CAPITAL

13. (U) [redacted] on Margarita Island reports that shops and businesses are "all closed." The energy supplier on the island reports that they have enough fuel to maintain electricity production for another week. The infrastructure for alternate energy supply is so severely degraded that it can only satisfy 40 of the island's energy needs. Opposition demonstrators took to the streets yesterday on the island. The Chavistas planned a counter-demonstration for today. CONOFF received a report of automatic weapons and hand grenades among the inmates of the prison on Margarita Island. Elsewhere, in Puerto Cabello, Valencia, and Puerto La Cruz, demonstrations are being staged by both sides.

U.S. CITIZENS

14. (U) Several international companies have begun to make plans to evacuate personnel. CITGO today ordered its U.S. citizen employees in Caracas (about six families) to return to Tulsa to wait things out. We talked to two families standing in line for tickets at the American Express ticket counter who told us that today's flights are full but they had no difficulty in

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getting seats on American Airlines flights on April 12. Nabisco USA directed its Caracas office to evacuate all family members if the strike extended beyond Wednesday. Colgate-Palmolive is evacuating 38 persons, among them 5 USCits. Airlines report that they do not envision interruptions to flight schedules due to fuel shortages. As long as air traffic control is in the tower, planes can refuel elsewhere, if necessary.

SHAPIRO

Additional Addressees:
None

CC:
OPEC COLLECTIVE
AMEMBASSY BOGOTA
AMEMBASSY QUITO
AMEMBASSY LA PAZ
AMEMBASSY LIMA

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	SRPP-00	DS-00	EB-00	EXIM-01	E-00	FAAB-00	VC-00
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	VCE-00	AC-01	NSAE-00	NSCR-00	OES-01	OMB-01	OPIC-01
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NSC FOR AMB MAISTO
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E.O. 12958: DECL 1.5
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